INTER-AMERICAN DEFENSE COLLEGE
DEPARTMENT OF STUDIES
CLASS XLVI

MONOGRAPH

THE REEMERGENCE OF THE SENDERO LUMINOSO: THE ROLE OF HEMISPHERIC SECURITY INSTRUMENTS AND COOPERATION

BY:

Colonel Richard A. DEFOREST
UNITED STATES MARINE CORPS

FORT LESLEY J. McNAIR
WASHINGTON, D.C.
MAY 2007

THE REEMERGENCE OF THE SENDERO LUMINOSO: THE ROLE OF HEMISPHERIC SECURITY INSTRUMENTS AND COOPERATION

BY

Colonel Richard A. DeForest
United States Marine Corps

MONOGRAPH PRESENTED TO THE INTER-AMERICAN DEFENSE COLLEGE AS A REQUISITE FOR OBTAINING THE DIPLOMA OF COMPLETION FOR THE SUPERIOR CONTINENTAL DEFENSE COURSE CLASS XLVI

FT. LESLEY J. MCNAIR, WASHINGTON, D.C.
MAY 2007

I CERTIFY THAT I HAVE READ AND REVIEWED THIS RESEARCH PAPER AND FOUND ITS CONTENT AND LANGUAGE ACCEPTABLE AND WITHIN THE INTER-AMERICAN DEFENSE COLLEGE'S METHOLOGY.

_____

Colonel Pedro A. Orona, USA
Student's Advisor

_____

Date

NOTE

The views and opinions expressed in this work are exclusive of the author and do not represent those of the United States Government, the United States Department of Defense and/or their associate elements and the Inter-American Defense College.

AUTHORIZATION

I, hereby, authorize the Inter-American Defense College to publish this work, as an article for selected reading or as inclusion in the College Review.

_____

Colonel Richard A. DeForest
United States Marine Corps

_____

Date

INDEX Page

CHAPTER 1 – INTRODUCTION **1.**

1.1 Overview 1.

1.2 Hypothesis 2.

1.3 Analytical Framework 2.

CHAPTER 2 – HISTORICAL ANTECEDENTS **3.**

2.1 Emergence of Sendero Luminoso 3.

2.2 Evolution of the Insurgency 5.

2.2.1 Sendero Luminoso 5.

2.2.2 Government Response 9.

2.3 Sendero Luminoso and Drug Trafficking 12.

CHAPTER 3 – CURRENT ENVIRONMENT **13.**

3.1 State of the insurgency and recent developments 13.

3.2 Inter-American System and Security 15.

3.3 Inter-American System and Drugs 18.

3.4 U.S. Policy and Peru 19.

CHAPTER 4 – THE ROAD AHEAD **20.**

4.1 Ending the Insurgency 20.

4.2 Strengths and Limitations of Inter-American Security Instruments 22.

4.3 Consequences of failure 22.

CHAPTER 5 – CONCLUSIONS **23.**

5.1 Conclusions 23.

CHAPTER 1 – INTRODUCTION

1.1. Overview

The Maoist terrorist group Shining Path (Sendero Luminoso) is reemerging after a period of relevant dormancy that followed the capture of its founder Abimael Guzman in 1992. During the 12 years between the initiation of violence in 1980 and Guzman's capture in 1992 an estimated 70,000 people died in this insurgency.[1] This represents about 15 deaths per day, or put another way a death for every 100 people in a country of only 7 million. In the first ten years "the cost of the guerrilla campaign in economic losses alone is estimated to be in the neighborhood of $10 billion. Sendero has forced a division of scarce national resources, disrupted the rural economy, and contributed to the general decline in popular confidence in the country's long-run economic future."[2] Racked by significant economic problems and a well organized and violent insurgency the survival of the government was in jeopardy in the late 1980s.

With many of Guzman's principal lieutenants dead or imprisoned the movement lost much of its momentum and hard core elements were confined to the most remote reaches of Peru where their principal activity centered around the cocaine trade, particularly in the Upper Huallaga Valley.[3] However, there remains a concern that the Shining Path will follow the same evolution as the Revolutionary Armed Forces of Colombia (FARC) in creating a "liberated" zone in Peru as the drug trafficking FARC has done in Colombia.

The long association between the Shining Path and the drug trade appears to be deepening. Drug money enables the maintenance of fighters, for economic if not ideological reasons, and further permits continuation of violence for either ideological reasons or simply to protect their coca interests. The Shining Path may no longer be capable of toppling the government, but their continued existence and possible continued development as narco-terrorist represents a threat to the future stability and prosperity of Peru and others within the region.

---

[1] "Profile: Peru's Shining Path," BBC News 5 November 2004, <www.news.bbc.co.uk/2/hi/americas/3985659.stm>

[2] Gordon H. McCormack, The Shining Path and the Future of Peru (Santa Monica: Rand, 1990) v.

[3] "Peru's Shining Path terrorists threaten to resume fight," Living in Peru 27 November 2006, <www.livinginperu.com/news/2784>

1.2 Hypothesis

There is an important role for hemispheric security and development instruments in assisting the Peruvian government in their efforts to prevent the Shining Path's reemergence both as a threat within Peru, and as a transnational threat to the security and stability of other nations in the western hemisphere.

1.3 Analytical Framework

This monograph examines the history and transformation of the Sendero Luminoso (Shining Path) from a Maoist Communist insurgency into a narcotics trafficking organization. Additionally, this investigation looks at these events through the lens of the economic, political, and social environment in which this process took place, and at the resultant impact of the Sendero Luminoso on Peru and the hemisphere. Finally, the role of hemispheric security instruments and cooperation in addressing this reemerging threat are analyzed.

Two terms used in this investigation must be defined at the outset: *Center of Gravity* and *Critical Vulnerability*. The definition provided below is taken from the U.S. Department of Defense dictionary and can be found on the U.S. Joint Forces Command internet site. "*Centers of gravity* are those characteristics, capabilities, or localities from which a military force [Sendero Luminoso] derives its freedom of action, physical strength or will to fight. Critical capabilities are resources and means that support the center of gravity. From among these are identified *critical vulnerabilities*. They link to the center of gravity via casual links, such that destroying, degrading, or denying a critical vulnerability will cause a substantial degradation of one or more of the adversary's center of gravities."[4] These terms are useful in examining the struggle between two opposing forces – the government and the Sendero Luminoso. Additionally, they help to frame an approach to solving new challenges.

---

[4] "Joint Forces Command Glossary," U.S. Joint Forces Command, Norfolk, VA <http://www.jfcom.mil/about/glossary.htm#C>

CHAPTER 2 – HISTORICAL ANTECEDENTS

2.1 Emergence of Sendero Luminoso

Following the War of the Pacific (1879-1883) the "post-war reconstruction led to the expansion of coastal haciendas and the rise of an oligarchy of merchants, financiers, and landowners, better adopted to a new capitalist age, whose interests centered on the production and export of primary products. The coastal oligarchy (comprising some 50 extended families), allied to foreign capital and semi-feudal landowners of the sierra, exercised widespread influence and control over government until as late as 1968, when a modernizing military regime seized power."[5] This social structure is not unique to Peru, and can be found throughout the Americas to greater or lesser degrees as part of what is often referred to as the "Iberian Tradition" stemming from the days of Spanish Empire when Spain exercised power over its vast holdings through regional Vice-Royalties. Within each there existed semi-autonomous wealthy Spanish land-owning families that wielded much of the real political and economic power. These families survived the later independence movements and continued to exercise power through the new governments much has they had through the old Vice-Royal.

"Peru's first modern political party, the Partido Civil, guided by liberal, laissez-faire doctrines, and the rival Partido Democratico, which was more pro-church and conservative, led Peru through a period of export-oriented development and rapid economic and social change during the next half-century. Formal parliamentary democracy was in practice, extremely limited, with no more than 3% of the total population enfranchised."[6] The principal social change at this time did not center around "empowering" the people economically or politically, but in the migration to the cities of people in search of employment. In the rural areas people continued to work in the agriculture and mining industries albeit for more modern corporate employers. This economic model premised on the export of commodities collapsed as part of the world economic crisis beginning in 1929.

---

[5] Sandy Markwick, "Peru," Europa Surveys of the World: South America, Central America and the Carribean 2007 (London: Routledge, 2007) 741.
[6] Markwick 741.

During this period Jose Carlos Mariategui (1894-1930) emerged as a significant figure in the Peruvian political dialogue of the times. Mariategui traveled to Europe in 1919 on a government scholarship, returning in 1923 as a committed Marxist and founding a socialist journal in 1926.[7] Mariategui would break from the APRA party (leftist-reformist) in 1927 to form the Peruvian Socialist Party. Both the APRA and PSP agitated for social-economic reform and greater inclusion of the indigenous population. They differed in their approach with the PSP being the more traditional Marxist-Leninist. It was to Mariategui to whom Abimael Guzman would trace his roots while adopting a violent form of Maoist protracted peoples war as his methodology. Mariategui "predicted capitalism's imminent demise and counseled Peruvians to return to their Inca heritage which he idealized and mythicized as communal and classless… he reasoned that by returning to the Inca values Peru could achieve communism without having to experience capitalist industrialism."[8]

In the years that followed Mariategui's death Peru suffered political and economic instability under both democratic and military governments; unsuccessful land reform efforts; inefficient nationalized industries, and wasteful spending by the military government of '68-'80; austerity measures imposed by the International Monetary Fund; and finally a series of droughts that wrecked havoc on the agricultural sector. All of these factors heavily impacted Peru's poor and middle class leading to political dissatisfaction and unrest. The military stepped aside in 1980 for the elections and the return of civilian rule. In May 1980 the burning of ballot boxes in Ayacucho marked the start of Sendero Luminoso's 'peoples war,' but belied the violence that would follow.

Abimael Guzman was a professor of philosophy at the University of Huamanga in the southern province of Ayacucho. Guzman had traveled repeatedly to China and was openly teaching Maoist thought on campus where "Guzman's worldliness, his command of communist philosophy, his notorious intensity and charisma combined to make him a highly influential and respected figure on campus."[9] Guzman founded the Shining Path in 1970, and in the decade that followed he began to recruit, develop its leadership, and

---

[7] James D. Henderson, Helen Delpar, Maurice P. Brungardt, A Reference Guide to Latin American History (London: M.E. Sharpe, 2000) 493.
[8] Henderson, Delpar, Brungardt 493.
[9] James F. Rochlin, Vanguard Revolutionaries in Latin America: Peru, Columbia, Mexico (Boulder: Lynne Rienner Publishers, 2003) 32.

establish its first cadre from the University of Huamanga where, as personnel director, he controlled the faculty selection process and oversaw the indoctrination of students.[10] He began to expand the organization into rural communities systematically recruiting, consolidating, and expanding.

By 1980, the Shining Path organized its "First Military School" where militants were taught tactics and the use of weapons. In a foreshadowing of the violence to follow Abimael Guzman delivered the closing speech: "Comrades: our labor with our hands unarmed has concluded … And the people gets up on its hind legs, arms itself, rises in rebellion, and places a noose around the neck of imperialism and the reactionaries, grabs them by the throats, tears off their flesh, and will strangle them. [The people] will tear the reactionary flesh, leave it in shreds, and drown these black wretched in slime; what is left will burn and the ashes will scatter to the ends of the Earth, so that all that is left is the sinister memory of what will never return , because it cannot and should not return…"[11]

This commitment to violence stemmed directly from Mao's tenant that "political power grows from the barrel of a gun" which Guzman embraced. Days after this speech the insurgency commenced with the burning of ballot boxes in Ayacucho, an insignificant event aside from marking the beginning of the armed struggle to overthrow the government of Peru.

2.2 Evolution of the Insurgency

2.2.1 Sendero Luminoso

At the commencement of the armed insurgency in May 1980 the Shining Path had a number of factors working in its favor, these were (1) the land reform failures of the military government of General Velasco and before that the civilian government of President Belaunde; (2) an increase in cultural identity, awareness, and pride by the indigenous people; and (3) the semi-autonomy of rural communities across Peru's vast interior. Added to these advantages were the cadre of dedicated Sendero Luminoso (SL) members personally loyal to Abimael Guzman who recruited them carefully over the preceding ten years since the organizations founding in 1970. Guzman's hierarchical

---

[10] McCormack 5.

[11] Shining and other paths: war and society in Peru, 1980-1995, ed. Steven J. Stern (Durham: Duke University Press, 1998) 430.

organization and absolute control over disciplined and committed followers served as the *center of gravity* (source of strength) for his insurgency allowing the SL to remain "cohesive, purposeful, and efficient" – free of internal conflict through twelve years of fighting.[12] These advantages would become liabilities by the time of Guzman's capture in 1992, but not until tens of thousands died in the intervening decade.

Rural laborers began agitating for agrarian reform in the mid-1950's with the military government moving to crush a peasant insurgency in 1962, but by 1963 with continued unrest the government began confiscating and redistributing land to peasants.[13] The military was succeeded by President Belaunde in 1963, in his first administration. Belaunde promised further reforms, but the congress balked and refused to implement the reform measures.[14] In1968, in the face of continued unrest, "a left-wing military regime led by Army Chief of Staff General Juan Velasco, supplanted President Fernando Belaunde Terry… Velasco and other ranking officers in the army held the old elites responsible for Peru's underdevelopment and assumed the role of modernizers."[15]

The Military government nationalized industries and commenced on an aggressive land reform campaign.[16] This effort proved largely unsuccessful due to a top-down approach that failed to include or consult with rural leaders, and because the agricultural cooperatives that replaced many of the large haciendas "proved to be poorly conceived, corrupt, and badly managed, resulting in rebellions in rural areas."[17] Military rule came to an end with the May 1980 elections, and the return of President Belaunde.

After twelve years of military rule the country was left with significant debt from wasteful spending, suffered 80% inflation and 40% unemployment, and had come under International Monetary Fund (IMF) directed austerity measures due to its near financial insolvency.[18] With the poor and middle class bearing the brunt of the pain during this

---

[12] Cynthia McClintock, Revolutionary Movements in Latin America: El Salvador's FMLN and Peru's Shining Path (Washington D.C: United States Institute of Peace Press, 1998) 91.
[13] Paul B. Goodwin, Global Studies: Latin America, 10th ed., (Guilford: McGraw-Hill/Dushkin, 2003) 84.
[14] Goodwin 84.
[15]Markwick 741.
[16] McKlintock 167. The consolidation of land into the hands of a powerful few is detailed by Cynthia McKlintock who writes "by empirical estimates, as of the 1950s and early 1960s, a mere 280 families – or 0.1 percent of all farm families – owned approximately 30 percent of the land in Peru, or well over half of Peru's best arable soil."
[17] Markwick 741.
[18] Robert T. Buckman, Latin America 40th ed., (Harpers Ferry: Stryker-Post Publications, 2006) 308.

crisis the Sendero Luminoso enjoyed fertile recruiting ground. This dissatisfaction, if not outright anger, at the real or perceived inability of the government to make necessary reforms and set the conditions for prosperity would allow the SL to follow Mao's strategy to initially gain control of the countryside and isolate urban areas, and indeed SL succeeded in bringing poor peasants into the movement, establishing rural bases, and striking out at government targets.

The SL began squandering their support in rural communities early on. These communities had enjoyed a degree of local control historically from Incan to Spanish to modern times in exchange for service/ loyalty to Incan leaders, Spanish 'feudal lords', and Peruvian hacienda owners. Yet, they now sought even greater autonomy over their local affairs. However, for the SL power was centralized and absolute. "Sendero Luminoso's central objective was to take power over the state through the vehicle of a violent revolution. The group was not satisfied with obtaining only a quotient of power, or with becoming an important voice among others in political debates. SL strove for absolute and dictatorial power through state control."[19] Sendero Luminoso elements would enter villages/ communities and target anyone engaged in state-organized activities or interests allied to it.[20] This would usually result in quick 'trials' followed by summary, often brutal, execution. No resistance or opposition was tolerated.

In response to the killing of a SL commander in the town of Lucanamarca by *rondas* (community self-defense militias) the SL slaughtered 69 people including pregnant women and children as young as six months; many were hacked to death with machetes.[21] This massacre occurred in 1983, early in the insurgency, and many others would follow. This dependence on violence and terror to achieve compliance resulted in increased resistance to SL over time as evidenced by the government's success in organizing and arming *ronderos* against the SL.

Concurrent with the earlier struggles over land reform were socio-cultural changes. During the mid-1970's Tupac Amaru (18th century Incan rebel) became a national symbol; Quechua (widely spoken indigenous language) became Peru's second

---

[19] James F. Rochlin, Vanguard Revolutionaries in Latin America: Peru, Columbia, Mexico (Boulder: Lynne Rienner Publishers, 2003) 56.
[20] Markwick 742.
[21] "Peru: The killings of Lucanamarca," BBC News 14 October 2006 <www.news.bbc.co.uk/2/low/americas/6050442.stm>

official language; and school curricula were revised to address the history of the indigenous people.[22] Despite Abimael Guzman's and SL's frequent references to Jose Carlos Mariategui's idealized Incan values and heritage, and its use of Incan themes Sendero's actions told another story. SL "essentially reduced ethnicity to class politics…SL minimized indigenous culture and tradition in other ways. Sendero's rigid neo-Maoist ideology forbade traditional indigenous holidays, and in communities it controlled SL typically replaced traditional indigenous elders who led the community with younger Sendero leaders."[23] The net result would be that instead of attracting and unifying indigenous peoples SL routinely trampled over their cultural values and local social structure resulting in a contest between SL and the state for their loyalty.

Sendero Luminoso was the product of one man, and from its creation in 1970 through the commencement of the insurgency in 1980 until his capture in 1992 that man was Abimael Guzman. In *The Shining Path and the Future of Peru,* a RAND Corporation analysis conducted in 1990, Gordon H. McCormack wrote "authority and control within Sendero, in this respect, appear to hinge on some variant of what has been termed the 'charismatic leader-follower relationship.' Such a relationship is based on four properties: (1) the group leader, in this case Abimael Guzman, is believed to possess a unique vision of the future and superhuman qualities; (2) group followers unquestionably accept the leader's views, statements, and judgment; (3) they comply with his orders and directives without condition; and (4) they give the leader unqualified devotion."[24] Guzman would cultivate this personality cult by calling himself the "Fourth Sword of Marxism" (essentially canonizing himself into the Communist pantheon of Marx, Lenin, and Mao), and among the Quechua-speaking indigenous population he used the title of "Puka Inti" (Red Sun) a sort of pseudo-Incan deity identification.[25] All of the above would seem far-fetched or subject to ridicule if not for the numerous historical examples of charismatic leaders ranging from Hitler to Jim Jones (the infamous religious cult leader) who led seemingly rational people to commit unthinkable acts out of blind faith in their charismatic leader.

---

[22] Goodwin 84.
[23] Rochlin 36.
[24] McCormack 7.
[25] McClintock 64.

Clearly the capture of Guzman in 1992 and his exposure as a fat, middle aged man with a psoriasis problem transformed him almost overnight from a superhuman "sword of Marxism" effortlessly evading authorities to a simple murderous thug with a taste for the good life in a Lima safe house. Combine the rigid structure of SL with the death or imprisonment of many early leaders and Guzman's capture and a *critical vulnerability* is exposed. Many of the remaining mid-level leaders served as a link between Guzman and the foot soldiers of the insurgency with a restricted role in developing strategy or in the exercise of initiative.[26] The insurgency, in the midst of a major offensive against Lima, ground to a virtual halt as mid-level leaders proved uncertain of what to do next in the midst of an event they were never prepared for. Disillusionment may have set in as SL leaders and members who had pursued a campaign of excessive violence to topple the Peruvian state began to reassess. "Abruptly, the group crashed and burned almost immediately after the capture of its deified leader. Supporters reached the end of the line with no remnants of tangible success and looked back at a horrific trail of carnage and destruction that SL leader Abimael Guzman had insisted was necessary…"[27] While this is somewhat speculative other evidence of the groups fragility can be found in the evaporation of many of the estimated 23,430 member "Peoples Guerrilla Army" as based on the numbers taken from Guzman's captured computer.[28] The government's corresponding success in forming Rondas to combat SL also speaks to the likelihood that the bulk of the numbers were "supporters" whose participation was based more on intimidation than ideology.[29]

2.2.2 Government Response

The Peruvian government in 1980 was in disarray after 12 years of military rule and facing civil unrest and a serious economic and financial crisis. Hence, it is somewhat understandable that the Belaunde administration did not immediately recognize the serious problem SL would pose, or the extreme violence SL was prepared to use to accomplish their objectives. John F. Rochlin in *Vanguard Revolutionaries in Latin*

---

[26] McCormack 7.
[27] Rochlin 55.
[28] McClintock 74.
[29] Rochlin 43.

America: Peru, Columbia, Mexico writes that "the Sendero experience is also the story of the strategic lessons learned by a government that fared badly during the first ten years of its twelve year war [capture of Guzman] with the group. Such lessons concerned the power of consent, the importance of intelligence, the dangers of abusive violence, and the significance of localized power to Peru's predominantly indigenous population."[30]

The government's history of response to the insurgency followed a pattern of ignorance and failure to address the threat, overreaction, re-evaluation and adjustment, and success. This would take a dozen years and three presidential administrations. Louise Richardson writing in *What Terrorist Want: Understanding the Enemy, Containing the Threat* states in her introduction that "successive Peruvian governments dispatched the military to destroy the terrorists, which led to an increase in casualties but no diminution of terrorism. It was only when the government established DIRCOTE, a seventy-man intelligence unit within the police force, to follow the movement that it had results. Those studying the movement soon realized that the real Achilles heel of the group was its centralized dependence on the leadership of Guzman. They decided that if they could eliminate Guzman they could destroy the movement. They studied everything they could about Guzman and discovered that he had a particular skin condition. Through old-fashioned police work and good electronic intelligence, they were able to track down Guzman through his medical prescription. He was captured along with several of his top lieutenants. The movement never recovered. The seventy-man police unit was thereby able to achieve what wave after wave of military deployment could not."[31] While this statement contains some valuable truths, it also demonstrates the dangers of hindsight.

In late 1982 President Bealunde's administration began to come to grips with the emergent SL threat, and in December of that year Belaunde authorized action by the antiterrorist police alone, and not by the military.[32] Unfortunately, given past abuses of the National Intelligence Service (SIN) in targeting civilian leaders he had that service dismantled.[33] Understandable in the context of Peruvian experience at the time, but an unintended setback in what would be the beginning of a long violent conflict with the SL.

---

[30] Rochlin 55.
[31] Louise Richardson, What Terrorists Want: Understanding the Enemy, Containing the Threat (New York: Random House, 2006) xx-xxi.
[32] McClintock 141.
[33] McClintock 141.

However, by 1983 Belaunde had shifted to using a more heavy-handed military response to quell the insurgents based on success in subduing peasant revolts in the 1960's, but the escalation in human rights violations (Annex B) and internal military criticism of the government's strategy played out before Peru's voters.[34]

President Alan Garcia came into office determined to address human rights violations, and to address underlying economic problems in rural Peru. In the first two years he reduced the interest rate on agrarian bank loans to zero, quadrupled public investment in Ayacucho to $30 million, and began a short term public employment program.[35] Economic crisis in the second half of his administration would undermine social spending, reduce military spending and salaries, and result in severe hardship for Peru's poor. Additionally, his firing of senior military leaders over human rights violations undermined support from military officers, some of whom believed human right violations were inevitable in such an insurgency and who feared for their own welfare.[36] Regardless, human rights violations did drop as evidenced in the data on forced disappearances (Annex B), and Garcia's administration must be credited with official recognition and encouragement of the formation and arming of *rondas*, and with the formation of the Special Intelligence Group (GEIN) and the National Agency Against Terrorism (DINCOTE).[37] However, the economic crisis spelled the end for any future Garcia government.

President Fujimori instituted a severe austerity plan to address the economic crisis that succeeded in reducing inflation from 7,000% in 1990 to double digits in 1992 driving many Peruvians into soup kitchens.[38] However, Peru would begin to recover, attract foreign investment again, and economic growth and jobs would follow. Fujimori's administration must receive credit for emphasizing the importance of intelligence operations, greatly expanding the *rondas,* and reinvigorating the military to include a comprehensive review of military strategy.[39] The darker side of Fujimori's administration included an increase in human rights violations (Annex B), and disappearances and

---

[34] McClintock 141-142.
[35] McClintock 142.
[36] McClintock 143.
[37] Rochlin 66-69.
[38] Rochlin 67.
[39] Rochlin 67-69.

assassinations associated with the National Intelligence Service (SIN) headed by Vladimiro Montesinos. [40]

Indeed the reexamination of strategy and emphasis on intelligence led to the identification of Guzman himself as the *critical vulnerability* that would unhinge the command and control structure of SL. Yet, between 1989 and 1992 SL controlled 40% of Peruvian territory, had an army of over 23,000 soldiers, and engaged in 23,090 armed actions (the majority of which targeted civilians); in 1991 SL began directing bombings, political assassination, and targeting of the power grid and water supply in Lima.[41] "Old fashioned police work" would not stave off the collapse of the state until Guzman's capture in 1992, nor would all investigative leads come through police networks. Regardless, intelligence gathering and police work leading to the capture of Guzman, the success of the military - *ronda* partnership to contest SL in the countryside for the support of the people, and improving economic conditions came together in 1992 and SL has yet to recover.

2.3 Sendero Luminoso and Drug Trafficking

Not to be overlooked was the importance of the cocaine market to SL in the years before Guzman's capture. By the late 1980's SL was paying salaries from "$250 to $500 per month… about three to eight times the salaries of most of Peru's teachers."[42] Military salaries had stagnated and were less than their salaries of a decade before when adjusted for inflation. In 1991, a soldier made about $10 per month, and his general might make $350 per month.[43] The declining growth rate (Annex C) in the economy led to higher rates of inadequate employment and under-employment (Annex C) which combined with the hyper-inflation discussed earlier wrecked havoc on Peru's citizens. The SL's ability to provide decent wages served as an effective recruiting incentive and a means of retaining the loyalty and services of SL members.

---

[40] Rochlin 68.
[41] Rochlin 63.
[42] McClintock 292.
[43] McClintock 134-135. To put the situation in perspective McClintock compares Peruvian salaries with their counterparts in El Salvador, far from a rich country, where conscripted soldiers earned $70-85 per month in El Salvador compared to $10 per month in Peru. An El Salvadoran General would earn approximately $1,600 per month or "more than quadruple the income of their Peruvian counterparts."

Peruvian armed forces often seized records when apprehending terrorists and in 1993 they found a 1991 report titled "Economic Balance of the Shining Path in the Tingo Maria area," that reflected charges of $3,000 to $7,000 per flight from airfields controlled by SL; a Columbian drug trafficker confirmed to authorities he supplied arms to SL and paid $5,000 per flight.[44] SL extracted between $20-30 million annually in "taxes" and protection fees from the drug traffickers, some figures go as high as $500 million, to pay supporters and purchase arms. [45] Therefore, at the very time the government was implementing austerity measures and the military was forced to operate with a narrow margin of error, the SL was flush with cash to pursue its objective of overthrowing the state.

CHAPTER 3 – CURRENT ENVIRONMENT

3.1 State of the insurgency and recent developments

The SL has never recovered from its peak in 1992, but it has not disappeared altogether. In a July, 2002 report entitled *In the Spotlight: Sendero Luminoso* the Center for Defense Information (a private analysis institute) reported that even after the capture of Guzman in 1992 and Durand (a senior leader who vowed to continue the fight) in 1999 that Sendero remains a threat, and notes its March 2002 bombing in Lima near the American Embassy just three days before the arrival of U.S. President Bush. "Recent actions attributed to Sendero have hinted at the revival of the group's operations. Stimulated by closer ties to a booming Peruvian coca industry as well as an expanding market for opium poppies, the group has stepped up recruiting in the UHV [Upper Huallaga Valley] and other rural areas."[46] The current strength of the SL is estimated between 300 and 500 with continued close ties to drug traffickers by the Memorial Institute for the Prevention

---

[44] Patrick L. Clawson and Rensselaer W. Lee, The Andean Cocaine Industry (New York: St Martin's Press, 1998) 180.
[45] Rochlin 42.
[46] "In the Spotlight: Sendero Luminoso," Center for Defense Information Washington, DC, 1 July 2002 <www.cdi.org/terrorism/sendero-pr.cfm>

of Terrorism (MIPT) a non-profit, recognized 'think tank' established to facilitate knowledge and information sharing on terrorism.[47]

A number of news reports detail other events. In July 2003 a SL ambush killed five soldiers and two farm workers southeast of Lima only a month after holding 71 oil pipeline workers hostage.[48] SL killed eight police officers in December 2005.[49] (BBC, Feb 2005) In a November 2006 report published on the web site "Living in Peru" an interviewed SL leader called "Artemio" stated "but we are rising again, we are returning to grow, we work in secrecy and we work for the future…"[50] In August 2003 a reporter with the Miami Herald wrote of the reemergence of the SL and their alliance with drug traffickers. In his report the very real threat of SL is reflected by one government leader who stated that recruits are lured by the "promise of pay and adventure, and many are too young to remember the suffering inflicted by the guerillas," a defense minister who recognizes the government needs to rebuild bases abandoned after SL's apparent defeat, and finally – and perhaps most telling – a 41 year old farm worker returning from a local security patrol to plead for "weapons, vehicles, and pay" for the *ronderos* to fight the terrorist.[51]

Since the long hard fall of SL the government has enjoyed greater access to work rural development projects and to engage in coca eradication programs. In 1989, when Brigadier General Alberto Arciniega Huby was in charge of the Upper Huallaga Valley emergency zone he faced the difficult conundrum of fighting SL and coca growth at the same time, and famously stated "if we repress 50,000 coca farmers, we create 50,000 recruits or collaborators for Sendero."[52] Today the government has significantly reduced the coca production in Peru since the days of Guzman's protection. The corollary between breaking up the guerrilla-trafficker partnership, gaining access by the

---

[47] "Shining Path," MIPT Terrorism Knowledge Base 19 March 2007 <www.tkb.org/Group.jsp?groupID=111>
[48] Tyler Bridges, "Guerrillas return as threat in a deal with coca traders," The Miami Herald 18 August 2003 <www.latinamericanstudies.org/peru/sendero-8-03.htm>
[49] "Timeline: Peru," BBC News 28 April 2007 <www.news.bbc.co.uk/2/hi/americas/1224690.stm>
[50] "Peru's Shining Path terrorists threaten to resume fight," Living in Peru 27 November 2006, <www.livinginperu.com/news/2784>
[51] Tyler Bridges, "Guerrillas return as threat in a deal with coca traders," The Miami Herald 18 August 2003 <www.latinamericanstudies.org/peru/sendero-8-03.htm>
[52] Clawson and Lee 182.

government to coca regions, and crop reduction is undeniable as evidenced by the dramatic reduction in coca bush cultivation and cocaine production (Annex D).

However, economic development and alternative crops are essential components to combating coca growth. In 1995 a disruption in the flow of drugs by cartels in Colombia resulted in a crisis for Peruvian coca farmers when "coca leaf and paste prices fell by three-fourths and farmers could not find anyone to buy their product. Farmers' income dropped off so steeply that families went hungry: USAID started an emergency feeding program for the hardest hit."[53] Farmers will make economic based decisions, and while coca is a highly profitable crop it is not without risks. Diversifying crops, opening markets, and other measures will continue to be necessary to wean farmers from this cash crop.

3.2 Inter-American System and Security

The Latin American tradition dating to Simon Bolivar and four congresses between 1826 and 1865 was to "establish multi-lateral mechanisms for dealing with what they perceived as threats of aggression against their sovereignty, mostly from Europe and sometimes from the United States. They related their mutual security to principles of nonintervention and to methods and procedures to forestall disputes among themselves and assure pacific development."[54] The U.S. failure to muster support during World War I against the Central Powers led to more aggressive diplomacy at the outset of World War II and the Declaration of Lima, in 1938, where signatories "affirmed their intention to help one another in case of foreign attack, either direct or indirect, on any one of them."[55] The Cold War became the genesis for the 1947 Rio Treaty for reciprocal assistance, or mutual security, which arguably proved in hindsight to be dead on arrival. The modern Organization of American States (OAS) was brought into existence in 1948 in Bogata where the concept of security was extended to "include aggression rising from within the

---

[53] Clawson and Lee 184.
[54] G. Pope Atkins, Encyclopedia of the Inter-American System (Westport: Greenwood Publishing Group, 1997) 345.
[55] Atkins 346.

hemisphere and explicitly established the link between peace and security…"[56] This began the movement of the OAS toward involvement in conflict resolution.

This evolution in the role of the OAS has not been an easy one. The OAS did mediate between rebel factions and the Somoza government in 1978-1979; however, the talks broke down over the rejection of a plebiscite by the Somoza government.[57] The OAS would later reject a proposal by the U.S. Secretary of State in 1979 for an OAS peacekeeping force in Nicaragua.[58] This is not to suggest that the OAS should compete with the United Nations (UN) in peacekeeping missions, but the more recent role as a facilitator for hemispheric participation in the UN mission in Haiti is appropriate and relevant.

The Inter-American Defense Board (IADB) has likewise suffered a lack of specificity in its roles and missions, and therefore in its relevancy. "In the past, attempts were made by the board to achieve a more significant operational role and to institutionalize itself within the OAS, but they were consistently resisted by the OAS due to the historic opposition to the militarization of the OAS and the fear of U.S. intervention."[59] The recent establishment of a juridical link between the IADB and the OAS should help, but as recently as the 2003 OAS Conference on Security in Mexico City, Mexico critical roles were assigned to Inter-American Committee against Terrorism (CICTE) and the Inter-American Drug Abuse Control Commission (CICAD) with scant mention of the role of the IADB. This seemingly leaves the IADB on the outside looking in with regard to two of the major security threats confronting the countries of the hemisphere.

The OAS's growing involvement in conflict resolution and peace keeping accelerated following the end of the Cold War, in 2003 the Special Conference on Security in Mexico City referenced the Declaration of Bridgetown in recognizing that security needed to be addressed from the perspective of both traditional and non-traditional threats. The Special Conference put forth "The security of states of the

---

[56] Atkins 344.
[57] McClintock 219-220.
[58] McClintock 219-220.
[59] Brown, Elena W, The Role of the Inter-American Board Within the New World Order, (Carlisle Barracks: U.S. Army War College, 1992) 3.

Hemisphere is affected, in different ways, by traditional threats and the following new threats, concerns, and other challenges of a diverse nature:

- terrorism, transnational organized crime, the global drug problem, corruption, asset laundering, illicit trafficking in weapons, and the connections among them;
- extreme poverty and social exclusion of broad sectors of the population, which also affect stability and democracy. Extreme poverty erodes social cohesion and undermines the security of states;
- natural and man-made disasters, HIV/AIDS and other diseases, other health risks, and environmental degradation;
- trafficking in persons;
- the potential for damage to arise in the event of an accident or incident during the maritime transport of potentially hazardous materials, including petroleum and radioactive materials and toxic waste; and
- the possibility of access, possession, and use of weapons of mass destruction and their means of delivery by terrorists."[60]

With regard to terrorism, the OAS reinforced the mission and importance of the Inter-American Committee against Terrorism (CICTE). Established in 1999 CICTE has a mandate to "(1) enhance exchange of information via national authorities; (2) Compile agreements of legal and regulatory norms on preventing, combating, and eliminating terrorism, and study appropriate mechanisms to ensure more effective application of such international norms; (3) assist states in drafting national counterterrorism legislation; (4) promote adherence to, and implementation of, international counterterrorism conventions; (5) enhance border cooperation and travel document security measures; (6) and expand access to counterterrorism training and crisis management activities.[61] This is a new effort, but no such organization was available to the successive governments of

---

[60] Organization of American States, Special Conference on Security: Declaration on Security in the Americas (Mexico City: OAS, 2003) Section II.

[61] Fact Sheet: Inter-American Committee Against Terrorism, U.S Department of State, Bureau of Western Hemisphere Affairs, Washington, DC, 30 January 2002 <www.state.gov/p/wha/rls/fs/7673.htm>

Peru in 1980 – 1985 – 1989 as they worked to find a solution to the SL problem. However, this and other instruments are now available for assistance in addressing the remaining SL threat.

3.3 Inter-American System and Drugs

The issue of combating drug trafficking has been a contentious one in U.S. and Latin American relations with the U.S. pressuring for interdiction in the drug supply and with Latin American nations responding that without the demand there would be no market. This tension has eased over the last ten to fifteen years with greater cooperation evident. Commencing in the mid-1980's with a Caribbean Community (CARICOM) initiated programs in "law enforcement, epidemiology, preventative education, and treatment."[62] This was quickly followed by other multi-lateral efforts with the five Central American states in December 1990 and at the Andean Summits in February 1990 and 1992 where Andean countries, along with Mexico, agreed to cooperate.[63]

The Summit of the Americas in 1994 concluded with the participants issuing the Declaration of Miami stating that "illicit drugs, drug trafficking, and related crimes" were serious threats to democracy in the hemisphere, and proposing that: (1) policies be established to identify drug trafficking and money-laundering networks in the region and bring criminals to justice and seize the proceeds of illicit activities; (2) that programs be adopted to prevent and reduce the demand for consumption of illicit drugs; (3) that international cooperation systems be instituted for follow-up and control of chemical precursors, weapons, and explosives; and (4) that international coordination actions be taken to interdict the flows of narcotics in the hemisphere.

This proved to be a perfect lead-in to the Declaration of Security in the Americas adopted by the Special Conference on Security in Mexico City in 2003. As discussed above the broader, multidimensional, definition included nontraditional threats and reinforced the roles and responsibilities of the Inter-American Drug Abuse Control Commission (CICAD). Established in 1986 CICAD seeks to promote regional cooperation and coordination on action programs to:

---

[62] Atkins 150.
[63] Atkins 150.

- prevent and treat substance abuse;
- reduce the supply and availability of illicit drugs
- strengthen national drug control institutions and machinery
- Improve firearms and money laundering control laws and practice
- Develop alternate sources of income for growers of coca, poppy, and marijuana
- Assist member governments to improve their data gathering and analysis on all aspects of the drug issue, and
- Help member states and the hemisphere as a whole measure their progress over time in addressing the drug problem[64]

CICAD is also entrusted with implementation of the Multilateral Evaluation Mechanism (MEM) an objective process for evaluating governmental performance.[65]

3.4 U.S. Policy and Peru

The U.S. provided significant assistance to the governments of El Salvador and Colombia, invaded Grenada to throw out Marxist-Communist, and assisted insurgents in combating the Marxist-Communist Sandinistas in Nicaragua as part of the Cold War between 1980 and 1990. However, while there was aid and assistance to Peru their levels indicated a "relative lack of U.S. engagement."[66] It would appear that the U.S. government underestimated the threat of the SL just as the Peruvian government under President Belaunde had in the early stages of the conflict. The most significant U.S. support did not occur until the late 1980s under President Bush with covert CIA financial and logistical support for the GEIN and DINCOTE.[67] The most interesting explanation for this is the SL's isolation from the Cold War players of Russia and China, and within the hemisphere of Cuba. Guzman's ego and self-proclaimed role as the 'fourth sword of Marxism' led him to reject "all other communist parties as 'rotten revisionists' with his

---

[64] Mission Statement, Organization of American States, Inter-American Drug Abuse Commission, Washington, DC <www.cicad.oas.org/EN/AboutCICAD.asp>
[65] Fact Sheet: Inter-American Drug Abuse Control Commission, U.S Department of State, Bureau of Western Hemisphere Affairs, Washington, DC, 25 February 2005 <www.state.gov/p/wha/rls/fs/2005/59317.htm>
[66] McClintock 236.
[67] McClintock 246-247.

most harsh criticisms directed at Russia's Brezhnev and Cuba's Castro."[68] This self-imposed isolation served to sever the SL from the larger Cold War, and the U.S. in turn remained focused on other countries combating threats sponsored or supported by Communist Russia or Cuba in particular.

The U.S. Congress passed legislation in 2000 creating the Andean Counter-drug Initiative (ACI) to address both interdiction and alternate development in the Andean region.[69] The Congress appropriated $109 million for Peru with $46 million for alternate development and $63 million for interdiction programs.[70] Peru receives military aid and assistance under a waiver from Congress as recommended by the President because Peru is a signatory of the Rome Statute that establishes an international criminal court that could be used to try U.S. service members; the U.S. government policy is that the U.S. exercises jurisdiction over its service members, and that countries who do not ratify an "Article 98" agreement (they will not seek to try U.S. citizens in an international criminal court) are ineligible for military assistance.[71] This has created some fluctuations and complications in military aid and assistance to Peru, but assistance is ongoing at this time.

CHAPTER 4 – THE ROAD AHEAD

4.1 Ending the Insurgency

The SL should be likened to a lethal virus in that it requires a multidimensional approach, and the only solution is its complete elimination as an insurgent movement to overthrow the state or the risk of a future epidemic is always present. As discussed earlier in the emergence and evolution of the SL contributing factors were economic (land reform issues, economic crisis and hardship), social-cultural (emerging indigenous identity, pride, and political cohesion), and political (civilian and military regimes with a resume of broken promises and mismanagement). SL with its disciplined cadre and

---

[68] McClintock 66.
[69] Congressional Research Service (CRS) Report RL32733, Latin America and the Caribbean: Issues for the 109th Congress (Washington, DC: Library of Congress, 2006) 7.
[70] CRS Report 8.
[71] "Article 98 Agreements and the International Criminal Courts," Center for International Policy Online, 6 April 2007 <http://www.ciponline.org/facts/art98.htm>

subsequent financial resources from the drug trade undermined their own efforts through their sheer excesses in violence and an uncompromising adherence to the tenants of their vision of Maoist communism. However, while "Mao accepted the role of violence in warfare… he also warned against the strategic dangers associated with the abuse of violence, especially in relation to the necessity of cultivating consent from the masses. Moreover he argued that a cardinal rule for the guerrillas is to 'be neither selfish nor unjust' and to 'be courteous' to the general population. Mao noted that 'because guerrilla warfare basically derives from the masses and is supported by them, it can neither exist nor flourish if it separates itself from their sympathies and cooperation.'" [72]

The government floundered early, but despite severe economic crisis managed to learn, adapt, and implement new approaches. The government succeeded in making use of the *rondas,* building an intelligence service, devising a strategy to destroy the SL *center of gravity* – its dedicated, disciplined, secretive structure by identifying the *critical vulnerability* in its megalomaniacal leader, and his desire for absolute control over his creation.

In the most recent annual *Western Hemisphere Overview* published by the U.S. State Department on 28 April 2006 the report takes note of violence in 2005 to include the "murder of three highway police officers, an attack on three counter-narcotics helicopters, and the killing of three police officers with an electronically-detonated explosive device"… also, of the SL kidnapping of ten employees of a USAID economic development contractor in November of that same year, and of the killing of five counter-narcotics police officers the following month.[73] Drug money funds operations, recruiting, and community relations; and, there are indicators that SL seeks to rebuild support in the universities.[74] Here, one could argue the *center of gravity* is now the drug money that enables an estimated 300 terrorists to continue operations against the state, and the *critical vulnerability* is their dependence on the farmers who grow the coca. "The lack of

---

[72] Rochlin 76.
[73] Western Hemisphere Overview, U.S Department of State, Bureau of Western Hemisphere Affairs, Washington, DC, 28 April 2006: 168-169 <www.state.gov/documents/organization/65473.pdf>
[74] Western Hemisphere Overview 168-169.

a government presence in these areas and deterioration in Peruvian security capabilities has complicated efforts to counter or disrupt SL activity." [75]

4.2 Strengths and Limitations of Inter-American Security Instruments

The OAS remains constrained by resources and by extension CICAD and CICTE will be limited by available resources. In fact, in a December 2004 speech the Acting Secretary General of the OAS stated "the Regular Fund of the OAS will provide CICAD with 24 per cent of its budget in 2005."[76] Two years later the U.S. Permanent Representative to the OAS in a speech noted that if the OAS is to carry out its mandates there must be an increase in the budget, and noting the "OAS budget has been straight-lined for eleven years while the mandates and tasks assigned to the Organization have increased substantially."[77] With the continued weakening in institutional strength brought about by budget constraints there may be very little in the way of tangible contributions by the OAS.

These commissions can serve as a clearing house for information and expertise; and, they may facilitate coordination and cooperation with other states in the hemisphere, or other international organizations such as the United Nations Office on Drugs and Crime (UNODC). The strength of the institution is one of legitimacy in the eyes of the countries in the hemisphere, and its ability to facilitate dialogue and engender cooperation. This ability extends beyond the hemisphere as a regional system recognized by the UN with a role in maintaining peace and security.

4.3 Consequences of failure

Peru is putting millions into "security, national defense, and socio economic development activities and projects in areas where SL and remnants of other terrorist groups operate…"[78] However; the stakes are high to get it right. Failure could lead to the kind of endemic crime and violence Colombia has suffered at the hands of the Columbian

---

[75] Western Hemisphere Overview 168-169.
[76] Luigi R. Einaudi, "At the Opening Session of the Thirty-Sixth Regular Session of the Inter-American Drug Abuse Control Commission," Washington DC, 7 December 2004.
[77] John F. Maisto, "Opening Statement at the OAS Special General Assembly," Washington DC, 31 January 2005.
[78] Western Hemisphere Overview 168-169.

Revolutionary Armed Forces (FARC) for over 45 years. A Columbia Country report summed it up well: "numbering perhaps 10,000, the guerrilla's claim that their armed insurgency is about social change; but as *The Economist* has observed, lines between revolution and crime are increasingly blurred. Guerrillas ambush army units, attack oil executives for ransom. Some guerrillas are also apparently in the pay of the drug traffickers and collect a bounty for each helicopter they shoot down in the government's campaign to eradicate coca-leaf and poppy fields.[79] Another author noted that at the low point of the FARC insurgency in 1979 that the militarily weak FARC maintained eight fronts scattered about the country, but its growing relationship with narco-trafficking would allow it to expand to "thirty-two fronts with 3,200 armed troops by 1985."[80]

The return of a SL armed, flush with cash, and able to call upon large numbers of active 'troops' would be a nightmare scenario for Peru, and given their ties to the drug trade they would represent a threat to the region as well. The Colombian experience with the FARC serves as a ready reminder of just how easily this could occur.

CHAPTER 5 – CONCLUSIONS

5.1 Conclusions

The SL emerged as a particularly brutal version of a Maoist insurgency as created, organized, trained, and led by Abimael Guzman. The isolationist nature of the movement that caused it to reject Russian, Chinese, and Cuban communism as corrupt led it to reject their assistance as well. Drug money, however, enabled the SL to fund the insurgency without foreign assistance from 'revisionist' communist governments. This isolation created a uniquely Peruvian problem that fell off the table of the greater Cold War. This forced the Peruvian government to confront the problem with minimal assistance in the midst of a severe economic crisis which together probably prolonged the struggle. There would be no checks on the excesses of Guzman's ego or commitment to the worst sort of violence. The loss of outside advice and assistance may allowed the ego of Guzman to dominate, but it also permitted the organization to become overly reliant on a single

---

[79] Goodwin 73.
[80] Rochlin 99.

'charismatic' leader – the *critical vulnerability* the government would exploit to get at the *center of gravity* of the insurgency, the tight control over a disciplined and committed cadre of followers. Guzman's capture, the emergence of Peru from economic turmoil, and the survival of democratic institutions – somewhat tarnished by abuses, but in place nonetheless – accelerated the unraveling of the SL. However, Guzman's legacy lives on as SL has continued to survive with money from the cultivation and trafficking of drugs. This money could fund a return of a 'new' SL with an 'old' tradition of violence along the lines of the FARC in Colombia.

Many of the underlying social and economic factors that fueled the discontent and support for SL, or at least until its excesses undermined it, still exist in Peru. The government is under enormous social pressure to "reduce the level of poverty in Peru and widen the distribution of economic growth. Poverty is concentrated in rural and jungle areas, and among the indigenous population. The wealthiest 20% of the population receive 53% of the country's income, while the poorest 20% receive only 3%."[81] Without redress there will be future unrest, just as there has been repeatedly in the past. What are the consequences of a failure to address these pressing issues? What happens in a future environment of social unrest with a reorganized and well-funded SL? The time for cooperation between Peru, the OAS, and other nations in the hemisphere to address the issues of poverty, alternate development, and a new strategy to combat a reemerging threat is now. If Peru sees the new *center of gravity* as the drug money that fuels the insurgency and the new *critical vulnerability* as the dependence on the coca growing farmers then the OAS must seek to address a new strategy, through CICAD and CICTE, built around these focal points to assist the government of Peru to bring the insurgency to and end, and to address the underlying economic and social issues that fuel civil unrest.

International institutions recognize sovereignty, and the OAS is no different. However, any dialogue on the subject of the SL must begin with an agreement that the SL represent not only a threat to the sovereign nation of Peru, but to other countries in the hemisphere as a transnational threat given their involvement in the drug trade. The drug trade funds violence, corruption, crime, and undermines political and social institutions

---

[81] CRS report 41. Note: figures are taken from the World Bank, *2005 World Development Indicators* report (Washington DC, 2005) 73.

across international boundaries. Peru can leverage on international support without surrendering sovereignty, and hemispheric security instruments must find a way to be relevant to Peru's challenges. Inter-American instruments such as CICAD and CICTE are evolving and maturing, but they must receive the critical funding necessary to provide the relevant services or they will become merely ineffectual monuments to good intentions.

The OAS remains a legitimate regional organization that can facilitate both multi-lateral, bi-lateral, and international dialogue and cooperation. The U.S. has long standing interests in combating the terrorism and drugs, and provides substantial assistance to Peru. However, U.S. policy toward Peru has proven somewhat disjointed with its own interests shifting from the challenges of the Cold War to the challenges of the Drug War to the focus on International Terrorism. The OAS can work with both countries, and others, to determine the best allocation of resources for security and development to address the immediate and long term challenges to transnational threats such as SL. In this way perhaps a more consistent and long term strategy would emerge for the U.S. and Peru in the context of a larger hemispheric response.

The OAS is the ideal clearing house for ideas and expertise on confronting a number of problems on a broad 'multidimensional' front from juridical constructs to security strategies to efforts to confront underlying problems such as poverty and corruption. Again, without the necessary funding the OAS as an institution is weakening in the face of a number of emerging challenges. The OAS must maintain legitimacy and credibility by providing relevant and qualified services. To do this the OAS should recognize that it can not 'do it all,' and select 'core competencies' to which it commits adequate resources. Funding CICAD at 24 per cent and spreading other resources across other committees and bodies is a formula for widespread mediocrity. Thus, adequate funding of CICAD, CICTE, and other 'core competencies' must come at the expense of other institutional structures. For example, does the IADB have a relevant role? Could it be replaced by a smaller advisory council to the Secretary General or under the new Department of Multidimensional Security? The UN has no such board, and participates across a large spectrum of security threats in a world-wide forum. The termination of the IADB in its present form could represent a significant cost savings that could be applied elsewhere. This is not an argument to abolish the IADB per se, but there should be no

'sacred cows' above the scrutiny of review in order to ensure the OAS is capable, credible, and relevant to face the multidimensional security threats of the 21st Century.

Without regional cooperation and assistance to states such as Peru, transnational criminals will benefit by exploiting the gaps in enforcement created by the limitations of frontiers and jurisdictions. In turn, SL will benefit from continued profits gained from its illegal activities with these criminals. A growth in the SL fueled by drug money will lead to more violence. Drug cultivation will increase as the Peruvian government has a more and more difficult time engaging in development projects, crop substitution, and coca eradication in the face of increased security threats. The increase in cultivation leads to an increase in international crime. There is a need for international cooperation before the problem grows too large, and recent increases in coca cultivation after years of decline (Annex D) should be cause for concern. Inaction now that permits a re-emergent threat to the region to strengthen and spread should be calculated in human and economic costs: lives lost, money spent on security instead of development, damage to infrastructure, lost investment, and lost human potential.

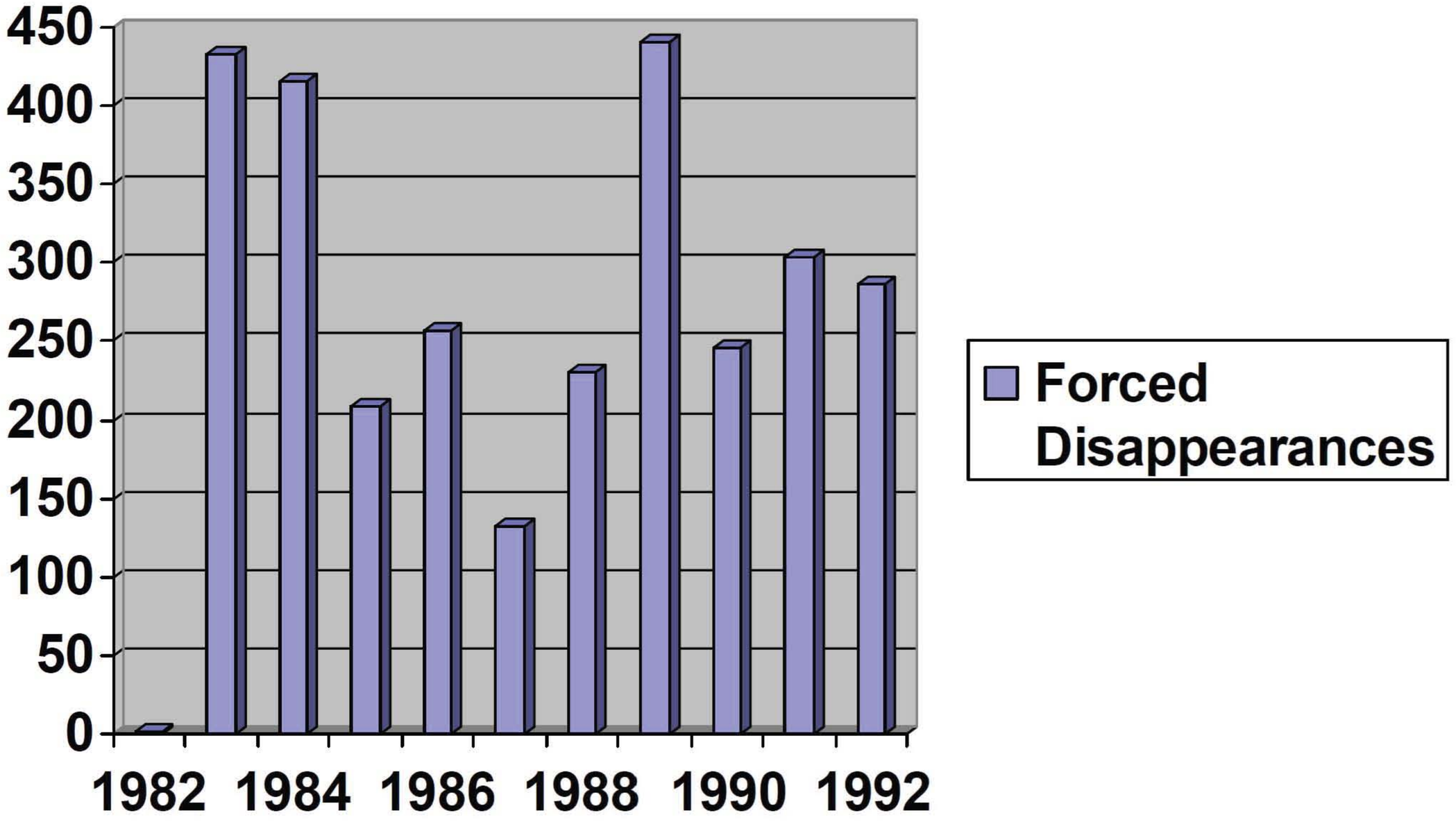
Here the investigation returns full circle to recognize the important role for hemispheric security and development instruments in assisting the Peruvian government, and in addressing a transnational threat within the hemisphere. The *critical vulnerability* for the OAS appears to be funding for yet to be identified core competencies – failure will undermine the OASs *center of gravity*, its legitimacy and credibility as a regional enabler of assistance, cooperation, and dialogue in the face of complex transnational and multidimensional threats.

ANNEX A

Peru Map[82]

[82] Peru Map < http://geology.com/world/peru-map.gif>

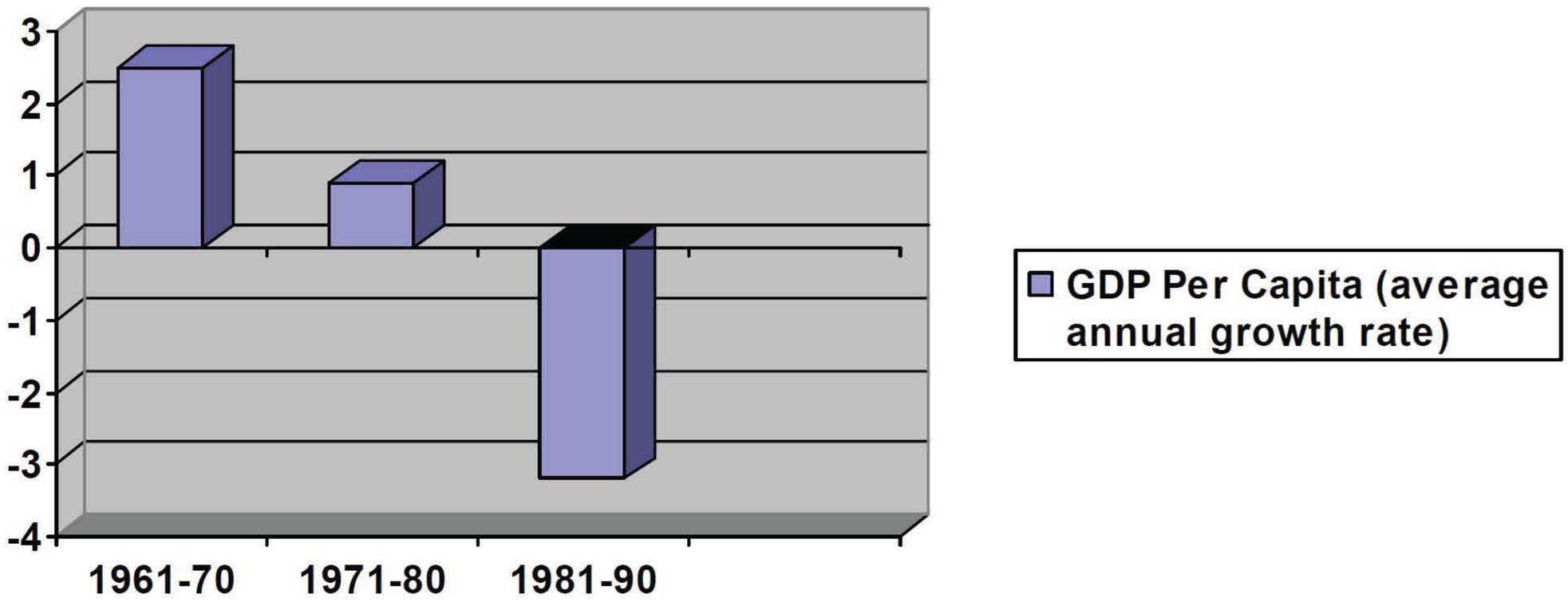
ANNEX B



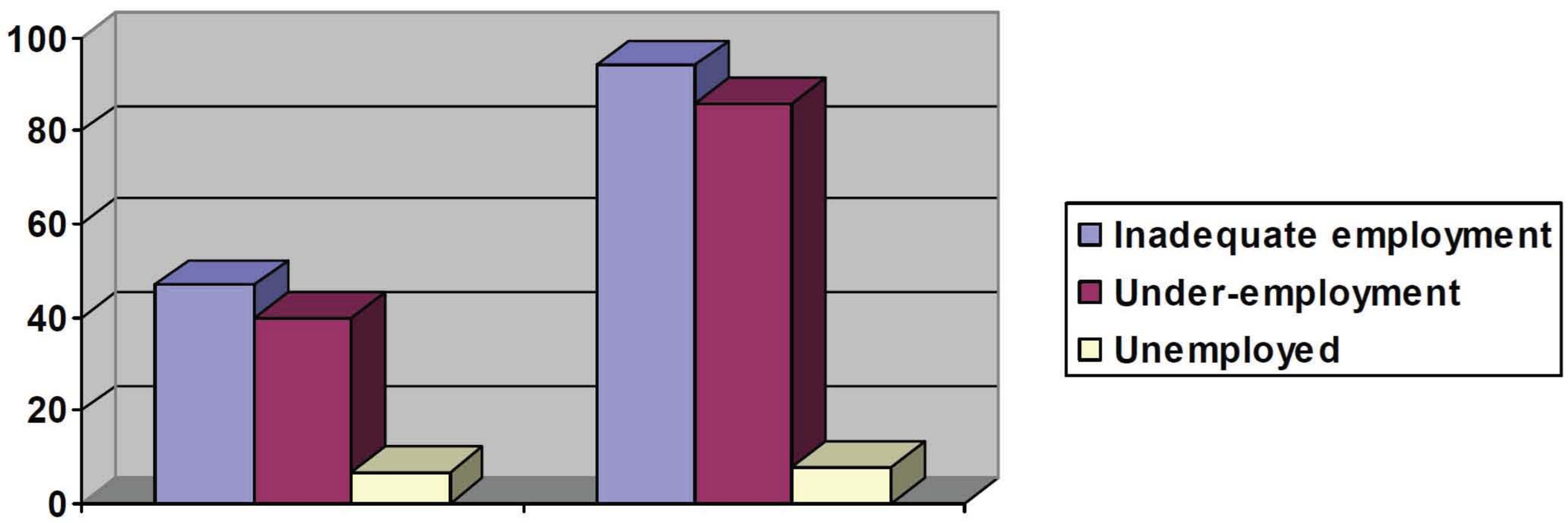
Human Rights Violations [83]

[83] McClintock 118.

ANNEX C



GDP [84]



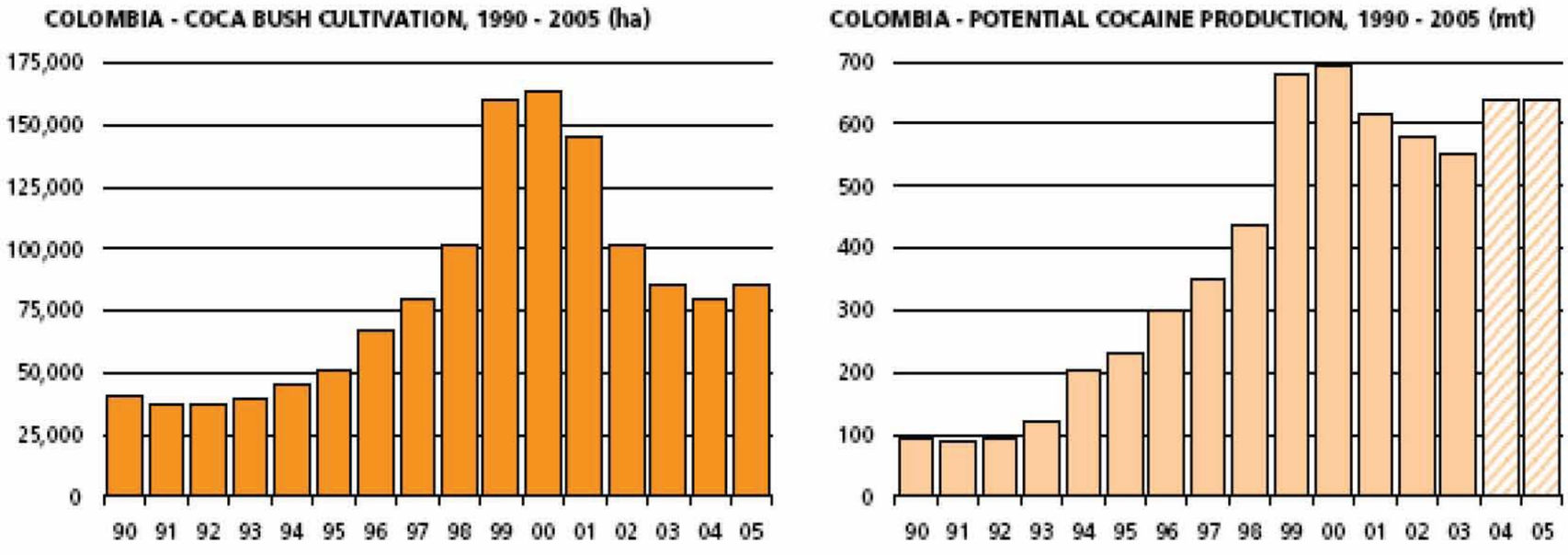
Employment [85]

---

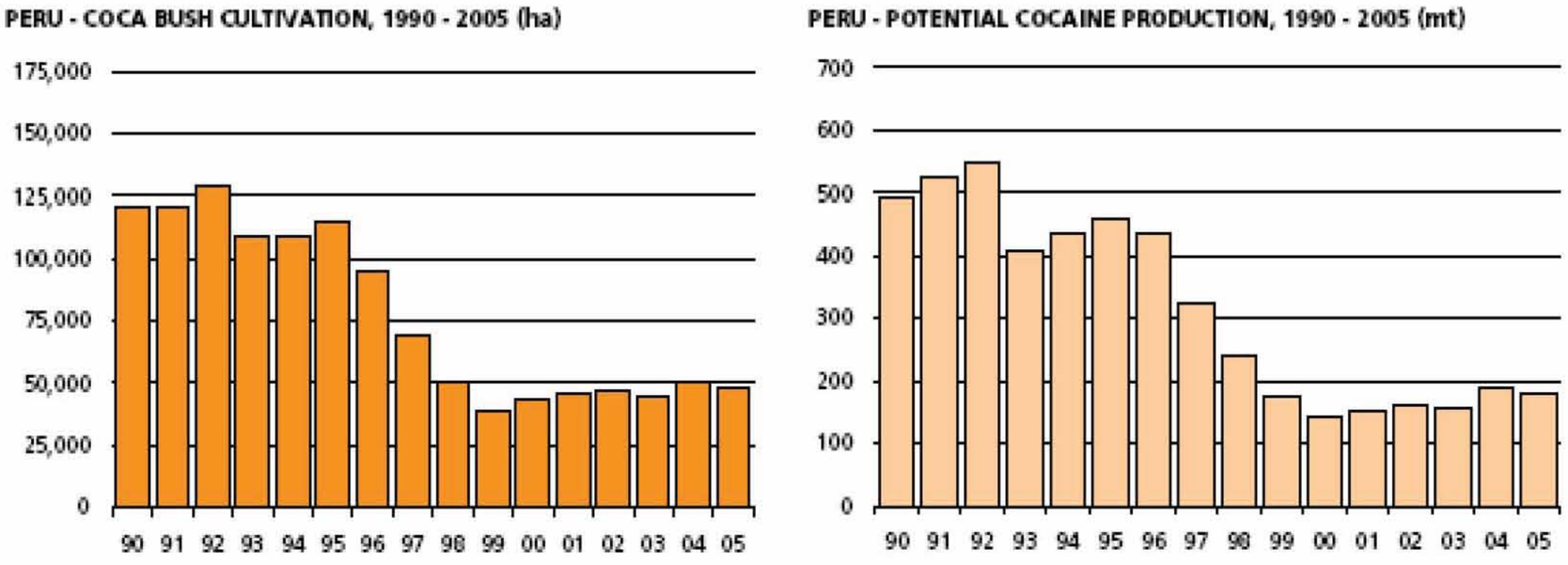
[84] McClintock 163.
[85] McClintock 164.

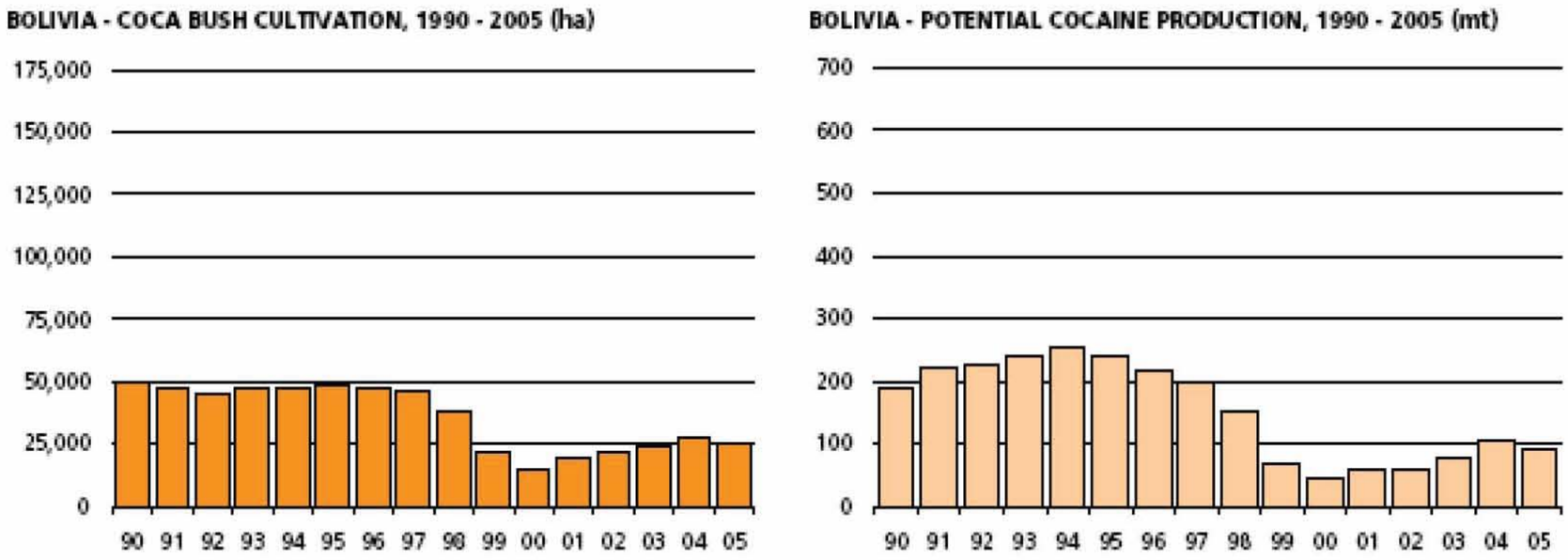
ANNEX D

Fig. 49. Annual coca bush cultivation and cocaine production in main producing countries, 1990 - 2005



Estimates for Colombia for 1999 and subsequent years come from the national monitoring system established by the Colombian government with the support of UNODC. Due to the change of methodology, figures for 1999 and after cannot be directly compared with data from previous years. Production data for 2004 and 2005 is based on new field research in Colombia.





Coca Cultivation [86]

---

[86] "World Drug Report," United Nations Office on Drugs and Crime New York, 2006 <http://www.unodc.org/unodc/en/world_drug_report.html>

BIBLIOGRAPHY

De Soto, Hernando. The Other Path: The Economic Answer to Terrorism. New York: Harper and Row, 1989.

Clawson, Patrick L. and Lee, Rensselaer W. The Andean Cocaine Industry. New York: St Martin's Press, 1998.

Gabriela Tarazona-Sevillano. Sendero Luminoso and the Threat of Narcoterrorism. New York: Praeger, 1990

Gordon H. McCormack. The Shining Path and the Future of Peru. Santa Monica: Rand, 1990

James F. Rochlin. Vanguard Revolutionaries in Latin America: Peru, Columbia, Mexico. Boulder: Lynne Rienner Publishers, 2003

Peru: A Country Study. Ed. Rex A Hudson. Washington, D.C.: U.S. Government Printing Office, 1993

The Shining Path of Peru. Ed. David Scott Palmer. New York: St Martin's Press, 1994.

Christopher C. Harmon. Terrorism Today. Oregon: Frank Cass Publishers, 2000

Louise Richardson. What Terrorists Want: understanding the enemy, containing the threat. New York: Random House, 2006

G. Pope Atkins. Encyclopedia of the Inter-American System. Westport: Greenwood Publishing Group, 1997

Goodwin, Paul B. Global Studies: Latin America. 10th Ed. Guilford: McGraw-Hill/Dushkin, 2003

Buckman, Robert T. World Today Series: Latin America. 40th Ed. Harpers Ferry: Stryker-Post Publications, 2006

Markwick, Sandy. "Peru: History." Europa World: South America, Central America, and the Caribbean 2007. 15th Ed. London: Routledge, 2006

Henderson, James D., Delpar, Helen, and Brungardt, Maurice P. A Reference Guide to Latin American History. New York: M.E. Sharpe, Inc., 2000

Choy, Shawn. "In the Spotlight: Sendero Luminoso.". Center for Defense Information, Washington D.C., 1 July 2002

Declaration on Security in the Americas. Organization of American States: Special Conference on Security in the Americas, Mexico City: OAS, 2003

Congressional Research Service Report RL32733. Latin America and the Caribbean: Issues for the 109th Congress. Washington DC: Library of Congress, 2006

Bridges, Tyler. "Guerrillas return as threat in a deal with coca traders." 18 August 2003. Miami Herald. <http://www.latinamericanstudies.org/peru/sendero-8-03.htm>.

Throssell, Liz. "Peru: The Killings of Lucanamarca." 14 October 2006. BBC News. <http://news.bbc.co.uk/2/low/americas/6050442.stm>.

"Peru Shining Path head gets life." 14 October 2006. BBC News. <http://www.bbc.co.uk/2/low/americas/6048144.stm>.

"Timeline: Peru." 28 April 2007. BBC News.
<http://news.bbc.co.uk/1/hi/world/americas/country_profiles/1224690.stm>.

"Inter-American Drug Abuse Control Commission (CICAD)." 25 February 2005. U.S. Department of State. Fact Sheet, Bureau of Western Hemisphere Affairs. <http://www.state.gov/p/wha/rls/fs/2005/59317.htm>.

"Mission Statement." Inter-American Drug Abuse Control Commission. Organization of American States. <http://www.cicad.oas.org/EN/AboutCICAD.asp>.

"Inter-American Committee Against Terrorism (CICTE)." 30 January 2002. U.S. Department of State. Fact Sheet, Bureau of Western Hemisphere Affairs. <http://www.state.gov/p/wha/rls/fs/7673.htm>.

"Mission Statement." Inter-American Committee Against Terrorism. Organization of American States. <http://www.cicte.oas.org/Rev/ENAbout/Mission.asp>.

"Group Profile: Shining Path." 27 September 2006. Terrorism Knowledge Base. Memorial Institute for the Prevention of Terrorism. <http://www.tkb.org/Group.jsp?groupID=111>.

"Country Reports: Western Hemisphere Overview." 28 April 2006. U.S. Department of State. Office of the Coordinator for Counterterrorism. <http://www.state.gov/s/ct/rls/crt/2005/64346.htm>.

Einaudi, Luigi R. "At the Opening Session of the Thirty-Sixth Regular Session of the Inter-American Drug Abuse Control Commission (CICAD)." 7 December 2004. Organization of American States, Washington DC. <http://www.oas.org/speeches/speech.asp?sCodigo=04-0165>.

Maisto, John F. “Opening Statement at the OAS Special General Assembly.” 31 January 2006. Organization of American States, Washington DC. <http://www.state.gov/p/wha/rls/rm/2006/q1/60112.htm>.

“Peru’s Shining Path terrorists threaten to resume fight.” 27 November 2006. Living in Peru. Peru. <http://www.livinginperu.com/news/2784>.

“World Drug Report.” 2006 United Nations Office on Drugs and Crime, New York <http://www.unodc.org/unodc/en/world_drug_report.html>.

“Peru Map.” 2007 <http://geology.com/world/peru-map.gif>.